

transferees (including the decedent's surviving spouse and the charitable, etc., transferees) of property included in the decedent's gross estate only if each transferee's share of the tax is based upon the net amount of his transfer subjected to the tax (taking into account any exemptions, credits, or deductions allowed by Chapter 11). See examples (2) through (5) of paragraph (e) of § 20.2053-9.

(c) *Exercise of election.* The election to take a deduction for a foreign death tax imposed upon a transfer for charitable, etc., uses shall be exercised by the executor by the filing of a written notification to that effect with the Commissioner of internal revenue in whose district the estate tax return for the decedent's estate was filed. An election to take the deduction for foreign death taxes is deemed to be a waiver of the right to claim a credit under a treaty with any foreign country for any tax or portion thereof claimed as a deduction under this section. The notification shall be filed before the expiration of the period of limitation for assessment provided in section 6501 (usually 3 years from the last day for filing the return). The election may be revoked by the executor by the filing of a written notification to that effect with the Commissioner at any time before the expiration of such period.

(d) *Amount of foreign death tax imposed upon a transfer.* If a foreign death tax is imposed upon the transfer of the entire part of the decedent's estate subject to such tax and not upon the transfer of a particular share thereof, the foreign death tax imposed upon a transfer for charitable, etc., uses is deemed to be an amount, J, which bears the same ratio to K (the amount of the foreign death tax imposed with respect to the transfer of the entire part of the decedent's estate subject to such tax) as M (the value of the charitable, etc., transfer, reduced as provided in the next sentence) bears to N (the total value of the properties, interests, and benefits subjected to the foreign death tax received by all persons interested in the estate, reduced as provided in the last sentence of this paragraph). In arriving at amount M of the ratio, the value of the charitable, etc., transfer is reduced by

the amount of any deduction or exclusion allowed with respect to such property in determining the amount of the foreign death tax. In arriving at amount N of the ratio, the total value of the properties, interests, and benefits subjected to foreign death tax received by all persons interested in the estate is reduced by the amount of all deductions and exclusions allowed in determining the amount of the foreign death tax on account of the nature of a beneficiary or a beneficiary's relationship to the decedent.

[T.D. 6600, 27 FR 4985, May 29, 1962, as amended at T.D. 9468, 74 FR 53665, Oct. 20, 2009]

#### **§ 20.2054-1 Deduction for losses from casualties or theft.**

A deduction is allowed for losses incurred during the settlement of the estate arising from fires, storms, shipwrecks, or other casualties, or from theft, if the losses are not compensated for by insurance or otherwise. If the loss is partly compensated for, the excess of the loss over the compensation may be deducted. Losses which are not of the nature described are not deductible. In order to be deductible a loss must occur during the settlement of the estate. If a loss with respect to an asset occurs after its distribution to the distributee it may not be deducted. Notwithstanding the foregoing, no deduction is allowed under this section if the estate has waived its right to take such a deduction pursuant to the provisions of section 642(g) in order to permit its allowance for income tax purposes. See further § 1.642(g)-1.

#### **§ 20.2055-1 Deduction for transfers for public, charitable, and religious uses; in general.**

(a) *General rule.* A deduction is allowed under section 2055(a) from the gross estate of a decedent who was a citizen or resident of the United States at the time of his death for the value of property included in the decedent's gross estate and transferred by the decedent during his lifetime or by will—

(1) To or for the use of the United States, any State, Territory, any political subdivision thereof, or the District of Columbia, for exclusively public purposes;